

Message Text

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C O N F I D E N T I A L SECTION 1 OF 2 SAIGON 13959

LIMDIS

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TAGS: UNICEF, US, VN, VS

SUBJECT: UNICEF ASSISTANCE FOR NORTH VIET-NAM AND PRG

FOR AMBASSADOR BUFFUM, HABIB, AND SCALI

REFS: A) STATE 241598; B) SAIGON 13945; C) USUN 4724

1. IN THE BEGINNING, PERHAPS WE SHOULD REITERATE THAT THERE ARE NO STRONGER SUPPORTERS FOR UNICEF THAN THE SENIOR OFFICERS OF THIS MISSION. ADDITIONALLY, NO ONE KNOWS BETTER THAN DO WE THE TRUE HUMANITARIAN NEEDS OF THE PEOPLES OF ALL THE INDOCHINA COUNTRIES - PARTICULARLY THE NEEDS OF THE CHILDREN OF BOTH NORTH AND SOUTH VIET-NAM. OUR CONCERN IS GENUINE AND REAL - NOT SYNTHETICALLY CONTRIVED FOR MEDIA EXPLOITATION TO ADVANCE POLITICAL PURPOSES. BUT WE REMAIN CONVINCED THE TRUE HUMANITARIAN NEEDS OF VIETNAMESE CHILDREN BOTH OF THE NORTH AND SOUTH WILL BEST BE SERVED BY FOLLOWING A STEADY COURSE AND CONSISTENT POLICY DESIGNED TO BRING AN END TO THE HOSTILITIES AND TO BRING THE VIETNAMESE PARTIES TO THE CONFERENCE TABLE.

2. OUR CONCERN OVER THE MODIFICATION OF POLICY ANNOUNCED BY AMBASSADOR BUFFUM IN REF A, PRESUMABLY CONCURRED IN BY AMBASSADOR HABIB AS THE SENIOR OFFICER CONCERNED WITH ASIAN
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POLICY, IS OUR CONVICTION THAT IT, QUITE INEVITABLY, SERIOUSLY

IMPEDES PROGRESS TOWARD THAT GOAL. THEREFORE, IT IS NOT A VICTORY FOR OUR HUMANITARIAN CONCERNS AND IT IS NOT A SERVICE TO THE CHILDREN OF EITHER VIET-NAM. HOWEVER WE MAY ATTEMPT TO DISGUISE IT, THIS ACTION IS A SUBTLE EROSION OF FIRMLY STATED U.S. POLICY THAT WE DO NOT RECOGNIZE "TWO ARMIES, TWO ZONES OF CONTROL, TWO GOVERNMENTS IN SOUTH VIET-NAM" AND WILL NOT UNTIL THE TWO VIETNAMESE PARTIES, IF EVER, THEMSELVES AGREE TO SUCH AN ARRANGEMENT. UNTIL THEN, WE RECOGNIZE THE "PRG" FOR WHAT IS IS, AN EXTENSION OF THE LAO DONG PARTY, A WHOLLY OWNED AND WHOLLY CONTROLLED INSTRUMENT, WHICH COULD STAND FOR NO MORE THAN A FEW WEEKS WITHOUT THE ARMED INTERVENTION OF NORTH VIETNAMESE MILITARY FORCES. IF THE DEPARTMENT HAS OTHERWISE INTERPRETED THE PARIS ACCORDS, WE HAVE NOT YET BEEN SO INFORMED HERE.

3. WE STILL SEEM OBSESSED THAT WE MUST MAKE CONCESSIONS TO SUCH CRITICS WITHOUT REALLY REALIZING THAT THESE CRITICS WILL NEVER ACCEPT LESS THAN TOTAL CAPITULATION. YET WHEN FALSELY CHARGED WITH A LACK OF HUMANITARIAN CONCERN, WE LOOK FOR WAYS TO BE MORE FORTHCOMING WITHOUT REALIZING, APPARENTLY, THAT IN DOING SO WE ARE REALLY ENCOURAGING HANOI TO PROLONG THE WAR.

4. IN VIEW OF THESE CONSIDERATIONS, WHICH WE BELIEVE TO BE PARAMOUNT, WE DO NOT FIND THE REASONS FOR THE POLICY CHANGE GIVEN IN PARA 2 OF REFTEL A PERSUASIVE OR CREDIBLE. WE BELIEVE WITH AMBASSADOR SCALI THAT OUR PREVIOUS POSITION ON THIS QUESTION SHOULD BE MAINTAINED. IT WOULD APPEAR SELF-EVIDENT THAT THE LACK OF STATUTORY PROHIBITION OF AN ACTION IS WHOLLY INSUFFICIENT REASON FOR DECIDING TO TAKE THAT ACTION IN THE ABSENCE OF SUBSTANTIVE REASONS FOR DOING SO. OUR POSITION HAS BEEN, AND WE THINK SHOULD CONTINUE TO BE, NOT REPEAT NOT THAT USE OF U.S. FUNDS IN UNICEF'S GENERAL RESERVE FOR AID TO NORTH VIET-NAM AND THE "PRG" IS CONTRARY TO U.S. LAW, BUT THAT IT IS CONTRARY TO U.S. POLICY.

5. THE STATEMENT IN PARA 2C OF REF A THAT UNICEF AID TO NORTH VIET-NAM AND THE "PRG" DOES NOT ADVERSELY AFFECT U.S. INTERESTS IS SIMPLY NOT TRUE. THE U.S. IS OPPOSED TO ECONOMIC ASSISTANCE TO NORTH VIET-NAM WHILE IT CONTINUES ITS AGGRESSION AGAINST THE SOUTH. UNDER THE PRESENT REGIME IN NORTH VIET-NAM IT IS VIRTUALLY IMPOSSIBLE TO VERIFY INDEPENDENTLY THAT FUNDS DONATED

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FOR HUMANITARIAN PURPOSES ARE IN FACT SO USED. AID GIVEN TO HANOI'S BRANCH IN THE SOUTH, THE "PRG", CAN ONLY BOLSTER ITS FALSE CLAIMS TO LEGITIMACY AND UNDERMINE THE INTERNATIONAL POSITION OF OUR ALLY, THE GVN. AND THERE IS NO WAY TO DELIVER AID TO THE CHILDREN IN THESE AREAS EXCEPT THROUGH THE "PRG" AND THE MILITARY SUPPLY SYSTEM OF THE NORTH VIETNAMESE ARMY IN SOUTH VIET-NAM.

6. BUT OVER AND ABOVE THE CONSIDERATIONS ABOVE IS THE FACT THAT TO MAKE KNOWN SUCH A POLICY CHANGE WOULD SIGNAL TO HANOI, HANOI'S SUPPORTERS, AND TO THE WORLD IN GENERAL A RELAXATION IN OUR ATTITUDE TOWARD NORTH VIETNAMESE AGGRESSION AND VIOLATIONS OF THE PARIS AGREEMENT. WE CANNOT BELIEVE THAT THIS IS IN ANY SENSE IN ACCORD WITH U.S. INTERESTS AT A TIME WHEN HANOI HAS STEPPED UP THE FIGHTING IN SOUTH VIET-NAM, HAS BROKEN OFF ALL NEGOTIATIONS WITH THE GVN ON IMPLEMENTATION OF THE PARIS AGREEMENT, AND HAS MADE CLEAR ITS INTENTION TO DESTROY THE ICCS AS A PEACE-KEEPING INSTRUMENT BY REFUSING TO PAY ITS PLEDGED SHARE OF THE ICCS BUDGET.

7. WE FULLY APPRECIATE THAT IS IS OUR LONG-RANGE POLICY TO BIND UP THE WOUNDS OF WAR AND REDUCE TENSIONS IN THE INDOCHINA AREA. BUT HEAVY FIGHTING IS CONTINUING IN SOUTH VIET-NAM AS A RESULT OF HANOI'S CONTINUING AGGRESSION AND REFUSAL TO HONOR THE PARIS AGREEMENT. IN OUR OPINION, FOR UNICEF TO GIVE ASSISTANCE TO HANOI CAN ONLY ENCOURAGE IT IN THIS COURSE WHILE FOR THE U.S. NOT TO MAKE CLEAR ITS OPPOSITION TO UNICEF'S DECISION WOULD BE READY BY THE NORTH VIETNAMESE AS WEAKENING IN OUR ATTITUDE TOWARD HANOI'S POLICIES. WE NEED HARDLY REMIND THE DEPARTMENT THAT FOR US TO CHANGE OUR POLICY OPPOSING UNICEF ASSISTANCE TO NORTH VIET-NAM AND THE "PRG", PARTICULARLY AT A TIME WHEN RUMORS ABOUND IN SAIGON THAT THE U.S. IS QUIETLY SUPPORTING THE RADICAL OPPOSITION IN SOUTH VIET-NAM, WILL WORK TO UNDERMINE GVN CONFIDENCE IN THE CONSTANCY OF OUR SUPPORT, CONFIDENCE WHICH IN THE PAST TWO MONTHS WE HAVE MADE STRENUOUS EFFORTS TO MAINTAIN.

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8. THE DAMAGE SUCH MODIFICATIONS OF PREVIOUSLY APPROVED POLICY CAN CAUSE IS STARKLY ILLUSTRATED IN THE UPI STORY BY DAVID ANDERSON (TEXT CONVEYED REF B). IN THIS ARTICLE MR. ANDERSON SAYS: "UP UNTIL NOW, THE WORLD BANK AND OTHER MULTILATERAL LENDING AND DEVELOPMENT OPERATIONS HAVE STAYED STRICTLY OUT OF INDOCHINESE AFFAIRS FOR TWO REASONS:

--A WAR IS STILL GOING ON IN SOUTH VIET-NAM BETWEEN THE PROVISIONAL REVOLUTIONARY GOVERNMENT AND THE SAIGON GOVERNMENT OF NGUYEN VAN THIEU.

--GIVEN THE ARMED CONFLICT, IT IS DOUBTFUL WHETHER OR NOT ANY DEVELOPMENT FUNDS PUT INTO SOUTH VIET-NAM WOULD, OR EVEN COULD, BE USED SOLELY FOR RECONSTRUCTION AND DEVELOPMENT AND NOT, IN SOME WAY BE INVOLVED IN SUPPORTING THE MILITARY ECONOMY. AT AN EARLIER MEETING, SPONSORED BY THE WORLD BANK, LENNART KLACKENBERG OF SWEDEN SUMMED UP MUCH OF THE OPPOSITION OF THE NORDIC COUNTRIES TO WORLD BANK INVOLVEMENT IN SOUTH VIET-NAM.

RESPONDING TO A BANK "ECONOMIC RECONNAISSANCE MISSION" TO SOUTH VIET-NAM REPORT, HE SAID 'I DON'T THINK I HAVE EVER READ A BANK REPORT SO OPENLY ADVOCATING THE USE OF AID FUNDS FOR INTERVENING POLITICALLY IN THE INTERNAL AFFAIRS OF A COUNTRY...'

HE SAID THE KEY QUESTION OF AID TO SOUTH VIET-NAM WAS WHETHER CONFIDENTIAL

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THE BANK AND THE IDA SHOULD 'NOW ENGAGE ITSELF TO STRENGTHEN ONE OF TWO EXISTING GOVERNMENTS IN SOUTH VIET-NAM.'

9. IT WILL BE NOTED THAT THESE PARAGRAPHS IMPLICITLY CARRY FORWARD THE FICTION OF THE "CIVIL WAR" WITHIN SOUTH VIET-NAM. OF COURSE MR. KLACKENBERG, OF SWEDEN, FEELS NO NEED TO BE IMPLICIT. ALTHOUGH THE RVN IS A MEMBER IN GOOD STANDING OF THE IBRD HIS FORMULATIONS EXPLICITLY CONDEMN ANY USE OF IBRD AND IDA FUNDS "FOR INTERVENING POLITICALLY IN THE INTERNAL AFFAIRS" OF A FELLOW MEMBER OF THE BANK, AND SAY THE QUESTION WAS WHETHER THE BANK AND IDA SHOULD "NOW ENGAGE ITSELF TO STRENGTHEN ONE OF TWO EXISTING GOVERNMENTS IN SOUTH VIET-NAM."

10. MR. ANDERSON CLOSES HIS STORY SAYING:
"IN VIET-NAM, LITTLE HAS CHANGED IN THE YEAR SINCE THE SWEDISH REPRESENTATIVE TOLD THE BANK-CALLED MEETING: 'WE ARE CONVINCED THAT THE WORLD BANK GROUP MUST CONTINUE THIS POLICY OF NOT GETTING INVOLVED IN AN INTERNAL CONFLICT IN SOUTH VIET-NAM, TAKING SIDES THROUGH SUPPORT TO ONE OF THE PARTIES.'
TO DO SO, COULD MEAN THAT BANK'S LONG-TERM INVOLVEMENT IN A

VICIL WAR THAT SHOWS NO SIGN OF ABATING AND A SIGNIFICANT LOSS OF PRESTIGE AMONG DONOR COUNTRIES WHO DO NOT WANT TO SEE THE BANK BEING INTERVENTIONIST."

11. WE SAT SILENTLY THROUGH THE FIRST IBRD INDOCHINA MEETING IN PARIS WHILE THE ARGUMENT OF "THE TWO EXISTING GOVERNMENTS IN SOUTH VIET-NAM" WAS ALLOWED TO PARALYZE BOTH THE BANK AND THE UNITED STATES. WE DID VASTLY BETTER ON THE MEETING LAST MONTH, BUT AS WE NOTE, SWEDEN, A NATION OF A LITTLE OVER EIGHT MILLION PEOPLE AND THE INDOCHINA RESOURCE GROUP, WHICH MR. ANDERSON CREDITS IN MID-STORY FOR HIS DOCUMENTATION, SET OUT TO OVERTURN THAT ACTION.

12. WE DO NOT REALLY EXPECT THAT ANYONE WILL BE SO INDELICATE AS TO POINT OUT THAT SINCE UNICEF IS, AS IS THE IBRD, AN INSTRUMENT OF THE UN, UNICEF ALSO SHOULD NOT BE "INTERVENTIONIST" AND THAT IT IS DOUBTFUL WHETHER ANY UNICEF FUNDS PUT INTO NORTH VIET-NAM "WOULD, OR EVEN COULD, BE USED SOLELY FOR" HUMANITARIAN AID "AND NOT, IN SOME WAY BE INVOLVED IN SUPPORTING THE MILITARY ECONOMY" IN NORTH VIET-NAM AND THE "PRG" AREAS. WE ARE QUITE USED TO THE DOUBLE STANDARD THAT ACCEPTS ALL AID AS "HUMANITARIAN" CONFIDENTIAL

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EXCEPT, OF COURSE, THAT IN SOUTH VIET-NAM. BUT WE THINK WE WILL IGNORE THIS PARALLEL AT THE CONTINUING RISK OF CONTRIBUTING THEREBY TO THE FURTHER EROSION OF THE PARIS AGREEMENT.

13. WE KNOW HARRY LABOUISSIE VERY WELL AND EXTREMELY FAVORABLY. WE DO NOT THINK HE CAN BE DISSUADED FROM THE COURSE ON WHICH HE IS EMBARKED. WE DO NOT QUESTION FOR A SINGLE MOMENT HIS COMPLETE INTEGRITY AS AN INTERNATIONAL CIVIL SERVANT WHO HAS SOLEMNLY UNDERTAKEN TO RECEIVE NO INSTRUCTIONS FROM HIS OWN GOVERNMENT. WE BELIEVE THAT HE HAS GONE AS FAR AS HE COULD GO IN UNDERTAKING TO SEE THAT AN AMOUNT EQUAL TO THE TOTAL U.S. CONTRIBUTION WILL BE EXPENDED IN SOUTH VIET-NAM. AS REF C INDICATES, PERSONAL EXPLORATION WITH LABOUISSIE BY AMBASSADOR SCALI IS EASY AND WOULD HAVE BEEN A FAR BETTER COURSE OF ACTION THAN THE MZTHOD ACTUALLY USED.

14. BUT WHAT IS IMPORTANT ARE TWO BASIC AND CRUCIAL POINTS. THAT LABOUISSIE WOULD HAVE DONE THIS ANYWAY, DOES NOT ALTER THE FACT THAT NO POLICY CHANGE SHOULD HAVE BEEN MADE, SHOULD UNDER NO CIRCUMSTANCES BE CONVEYED FORMALLY TO LABOUISSIE, AND SHOULD, IN FACT, BE REVERSED AS WHOLLY INCONSISTENT WITH APPROVED BASIC POLICY.

15. THE SECOND AND EVEN MORE CRUCIAL POINT IS ILLUSTRATED BY HOW THIS DECISION WAS MADE AND THE LEVEL AT WHICH IT WAS MADE. NOTING THE CLEARANCES ON THE WENZEL STATEMENT, WE RAISE THE QUESTION OF WHETHER SUCH A FAR REACHING "MODIFICATION"

OF EXISTING POLICY REGARDING AN UN AGENCY AND A COUNTRY WHERE
WE HAVE VITAL INTERESTS SHOULD EVER BE MADE WITHOUT GIVING
THE U.S. REPRESENTATIVE TO THE UN, WHO SITS IN THE PRESIDENT'S
CABINET, AND THIS MISSION WHICH IS ALSO CHARGED BY THE PRESIDENT
AND THE SECRETARY WITH CERTAIN RESPONSIBILITIES, THE CHANCE TO
BRING OUR DIFFERENT PERSPECTIVES TO BEAR THROUGH COMMENT AND,
PERHAPS, IF DEEMED NECESSARY, CONSIDERATION AT A HIGHER
LEVEL IN THE DEPARTMENT.

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